



STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH  
AND SUBSTANCE ABUSE SERVICES

ANNOUNCEMENT OF FUNDING

**Intensive Long-Term Support**

TENNESSEE FISCAL YEAR 2022

January 15, 2022 - June 30, 2022

**Completed proposals due: November 22, 2021**

Tennessee Department of Mental Health and Substance Abuse Services  
Division of Mental Health Services  
Andrew Jackson Building, 6th Floor, 500 Deaderick St.  
Nashville, TN 37243  
[tn.gov/behavioral-health](http://tn.gov/behavioral-health)

**Tennessee Department of Mental Health and Substance Abuse Services  
Division of Mental Health Services**

**Intensive Long-term Support (East Tennessee)  
Announcement of Funding**

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**Tennessee Department of Mental Health and Substance Abuse Services  
Division of Mental Health Services**

**Intensive Long-Term Support (East Tennessee)  
Announcement of Funding**

**Release Date: October 22, 2021**

**Introduction**

The Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), Division of Mental Health Services (the “State”) is requesting proposals from Community Mental Health Providers interested in providing Intensive Long-term Supportive Residential Services in East Tennessee. Ongoing operations of this service are described in the Intended Scope of Services (Attachment F).

The goal of the Intensive Long-term Support (ILS) program is to provide quality, safe, and affordable permanent supportive housing for individuals discharging from the State’s Regional Mental Health Institutes who would otherwise not be able to successfully live in the community due to the lack of available housing with the capacity to meet their specific needs. For the purposes of this Announcement of Funding (AOF), the program intends to serve individuals discharging from Moccasin Bend Mental Health Institute (MBMHI).

The purpose of Intensive Long-term Support (ILS) residential services is to provide quality, community-based residential recovery services that safely and successfully meet the needs of people experiencing serious mental illness or co-occurring mental illness and substance use disorders who are discharging from MBMHI and would otherwise require longer stays at MBMHI, and has one or more of the following: (1) may also have non-emergent medical needs, (2) may have a history of demonstrated behaviors that require enhanced supportive services in a residential setting, (3) may have a criminal record, (4) may have had criminal charges dropped after civil commitment to inpatient psychiatric treatment, (5) may have a history of judicial commitment to inpatient psychiatric treatment, and/or (6) may have a Mandatory Outpatient Treatment (MOT) plan. This is accomplished by providing more intensive staffing described in Attachment F: Proposed Scope of Service, Section A.3.a.

Facilities providing ILS residential services are required to be licensed by TDMHSAS as Mental Health Adult Supportive Residential Facilities. Minimum program requirements for these types of facilities are outlined within the [TDMHSAS Rules, Chapter 0940-05-51](#). Adult

Supportive Residential Facilities are mental health residential programs that provide twenty-four (24) hours residential care with a treatment and rehabilitation component less intensive than required in a Residential Treatment Facility. Coordinated and structured services are provided for adult service recipients that include personal care services, training in community living skills, vocational skills, and/or socialization. Access to medical services, social services, and mental health services are insured and are usually provided off-site, although limited mental health treatment and rehabilitation may be provided on site.

## **1. GENERAL CONDITIONS**

### **1.1. Funding Information**

**1.1.1 Project Period:** Funding term for selected proposals to build out needed infrastructure for the ILS facility/residence will be January 15, 2022 through June 30, 2022. As funds are available, there may be additional Grant Contract periods for completion of the infrastructure. Operational funds for ILS program services are expected to be recurring and future years of funding would follow the state fiscal year, July 1 – June 30.

**1.1.2 Funding Amount:** Proposers should submit two budgets and budget justifications with their proposal.

The first budget should reflect the funding needed to establish the ILS facility/residence infrastructure to support up to 20 - 25 new ILS beds to affect discharges from MBMHI. This budget should include all funds requested to support acquisition, rehabilitation, and/or new construction of facilities. For the purposes of this Announcement, infrastructural costs refers to funding needed for development, new construction, acquisition, rehabilitation, renovation, and/or conversion to create new housing options for the targeted population as identified in this Announcement. Please note that funding amounts may vary based on proposal selection and submissions.

A second operational budget should be provided based on a full year of program services implementation. The maximum funds available for annual operations to support ILS services is estimated \$1,000,000.

Ongoing operational services funding for the ILS will be supported with federal Community Mental Health Services Block Grant (MHBG) funding to assist in response to the COVID-19 pandemic. These funds come to TDMHSAS as part of the

Coronavirus Response and Relief Supplement Appropriations Act, 2021 [P.L. 116-260] and the American Rescue Plan Act (ARPA), 2021 [P.L. 117-2]. The MHBG program is authorized by section [1911 of Title XIX, Part B, Subpart I and III of the Public Health Service \(PHS\) Act \(PDF | 253 KB\)](#). The MHBG program funds target ILS services for adults with serious mental illnesses. This includes persons age 18 and older who have a diagnosable behavioral, mental, or emotional condition—as defined by the Psychiatric Association’s Diagnostic and Statistical Manual (DSM) of Mental Disorders. Their condition substantially interferes with, or limits, one or more major life activities, such as: Basic daily living (for example, eating or dressing); Instrumental living (for example, taking prescribed medications or getting around the community); Participating in a family, school, or workplace.

**1.1.3 Allocations:** Funding allocations will be awarded on the basis of how well a Proposer addresses guidelines and criteria of this Announcement. The actual amount available for a Grant Contract may vary depending on the number and quality of proposals received. Budgets toward the Intensive Long-Term Support grant will be cost reimbursed. All invoices paid or payments made by the State are to be cost reimbursed; specifically, awarded Grantees must first pay for a given cost out-of-pocket first, and then the State reimburses the Grantee for such cost. For additional information regarding this and other grant contract requirements, proposers should review the TDMHSAS Grantee Manual located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/for-providers/grants-management.html>.

**1.1.4 Subject to Funds Availability:** Grant Contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.

**1.1.5 Grant Note, Restrictive Covenant, and Property Deed:** To protect the State’s interest in a property purchased and/or renovated using State funds provided through this grant, the following three (3) documents will be required from each awarded Grantee:

- Grant Note for the amount of State funding involved, signed by an authorized agent of Grantee and notarized, wherein the buyer acknowledges its obligation to assure the property is used to serve the specified service requirements , as described in the Proposed Scope of Services (Attachment F), for a specified Affordability Period; and

- Restrictive Covenant, signed by an authorized agent of Grantee and so notarized, and properly recorded in the appropriate county acknowledging the State's interest in the property, and to make the property available for service recipients for the duration of the Affordability Period; and
- A copy of the most recently filed property deed showing the property is owned by the Grantee (if new construction or renovation).

Grant Note and Restrictive Covenant documents for each awarded property will be provided to the grantee during the contract development period for signature and notarization. See Attachment G for a sample of the Grant Note and Restrictive Covenant documents.

In no case shall a grantee draw any funds from this grant prior to completion of the following:

- Signing a Grant Note with notarization; and
- Signing a Restrictive Covenant with notarization; and
- Submittal of the original signed and notarized Grant Note, the original signed and notarized Restrictive Covenant, and a copy of the most recently filed property deed to TDMHSAS.

**1.1.6. Grant Contract Requirements:** Grant contracts awarded as a result of this announcement of funding must comply with all contract requirements and will be subject to both programmatic and fiscal monitoring. Proposers should review the TDMHSAS Grantee Manual located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/for-providers/grants-management.html>. This manual includes resources about the grant contracting process, highlights key contract provisions, reviews the programmatic and fiscal requirements for grant contracts, outlines the monitoring process, and provides resources related to grant management.

**1.1.7. Licensed Provider Requirements:** Residential facilities for the ILS program must be licensed as a Mental Health Adult Supportive Residential facility by TDMHSAS or become licensed as a Mental Health Adult Supportive Residential facility by TDMHSAS within the first year of the affordability period. Minimum program requirements for these types of facilities are outlined within the [TDMHSAS](#)

[Rules, Chapter 0940-05-51](#). More information about the TDMHSAS licensure process can be located on the Licensing section of the website <https://www.tn.gov/behavioral-health/licensing/become-a-licensed-provider.html>.

**1.1.8. Property Standard Requirements:** For any proposed project selected for grant award, one of the following is required:

- All contractors performing infrastructural work on TDMHSAS grant funded properties must be appropriately licensed for the type of work being performed; or
- Infrastructural work completed by contractors toward construction, renovation, rehabilitation, and/or conversion must be bonded and insured.

All housing must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion.

Following project completion, all assisted properties must meet Housing Quality Standards throughout the compliance period.

**Building Permits.** The Grantee must ensure that building permits are pulled on all new construction and rehabilitation projects as required by the state or local jurisdiction, including mechanical, plumbing, and or electrical permits.

**Energy Code.** New construction projects must also meet the current edition of the International Energy Conservation Code.

**Inspections.** All rehabilitation or new construction work must be inspected by a licensed inspector based on the rules applicable for the local jurisdiction in which the units are located. Licensed inspectors are certified by the Tennessee Department of Commerce and Insurance – State Fire Marshal’s Office.

If a building permit is issued by a local jurisdiction or the state, inspection by a state certified inspector of that jurisdiction is required.

If the work is exempted by the state or local code and a permit is not required, then documentation from state or local code officials must be provided confirming that exemption. If exempted, a qualified inspector may be used. A “qualified inspector” is defined as an individual with credentials appropriate for the type of work being performed, such as inspectors licensed by the State of Tennessee as Building, Mechanical, Plumbing, or Electrical Inspectors.

For an activity where the state or local code officials do not issue a building permit, a qualified inspector may include home inspectors as appropriate for the work performed, including individuals certified as a housing inspector by a national organization such as the International Code Council, the National Fire Protection Association, or the Standard Building Code Congress. TDMHSAS may accept other qualifications on a case-by-case basis; however, TDMHSAS approval is required before the individual may perform inspections.

## **1.2. Timelines**

The following is an anticipated schedule of events related to the INTENSIVE LONG TERM SUPPORT announcement of funding. The State reserves the right in its sole discretion to adjust this schedule as it deems necessary. In the event such action is taken, notice of such action will be posted on the State's website at <https://www.tn.gov/behavioral-health/departments-funding-opportunities.html> and notice of the posting will be distributed via the proposer e-mail list.

<b>Date</b>	<b>Event</b>
October 22, 2021	TDMHSAS releases Announcement
October 28, 2021	Proposers' Written Questions Regarding the Announcement are due
November 4, 2021	TDMHSAS hosts a conference call to respond to questions AND/OR TDMHSAS issues written responses to questions posted on the State's website at <a href="https://www.tn.gov/behavioral-health/departments-funding-opportunities.html">https://www.tn.gov/behavioral-health/departments-funding-opportunities.html</a>
November 22, 2021	Proposals are due via email
December 6, 2021	TDMHSAS Makes Announcement of Accepted Proposal(s)
January 15, 2022	Contract shall be effective upon gathering all required signatures and approvals from the State in accordance with Section D.1 Required Approvals

## **1.3 Proposer Eligibility**

**1.3.1** The proposer, for purposes of this Announcement, must:



- Be registered with the Tennessee Secretary of State, or will be registered with the Tennessee Secretary of State by no later than the contract start date;
- Ensure proposed residential facility or facilities must be either currently licensed **by TDMHSAS** as a Mental Health Adult Supportive Residential facility (or facilities) or will become licensed by TDMHSAS as a Mental Health Adult Supportive Residential facility (or facilities) within the first year of the affordability period.
- Be the owner\* of the proposed project before the contract end date and before billing against the grant for infrastructural expenditures;
- Demonstrate experience providing enhanced supportive affordable housing and/or enhanced supportive behavioral health services in the state of Tennessee. Enhanced supportive affordable housing refers to the provision of twenty-four (24) hours/day residential care with a treatment and rehabilitation component less intensive than required in a Residential Treatment Facility. Coordinated and structured enhanced supportive behavioral health services are provided for adult service recipients that include but not limited to personal care services, training in community living skills, vocational skills, and/or socialization. Access to medical services, social services, and mental health services are insured and are usually provided off-site, although limited mental health treatment and rehabilitation may be provided on site.
- Demonstrate experience in providing services that will assist or sustain an individual in permanent housing, including but not limited to, provision of rental or utility payment assistance; delivery of shelter and related services for individuals experiencing mental illness or co-occurring disorders, homelessness or other special needs which improve the housing stability of assisted households;
- Demonstrate experience in providing mental health and/or supportive housing services to individuals with a history of housing placement challenges due to circumstances such as having a Mandatory Outpatient Treatment (MOT) plan, having criminal charges, etc.
- Demonstrate good relational standing with TDMHSAS as well as stakeholders, including, but not limited to, mental health treatment and/or co-occurring disorder services providing entities within Tennessee;
- Demonstrate a history of successful programmatic and financial responsibility.

Program funds for this grant may be expended for capital purchase and/or professional fees for the purpose of development, construction, acquisition, rehabilitation, and/or conversion of infrastructure to create safe, quality housing

with enhanced support services for the targeted population as identified in this Announcement.

\*The project owner must be the same entity that submits the proposal for this AOF. Frequently, there are various community stakeholders involved in a housing project. TDMHSAS will contract only with entities that intend to own, not lease, all capital projects included in the proposal. This includes any property purchased and/or renovated using State funds provided through this grant.

The following requirements apply to this Announcement of Funding:

- Submitted proposals shall provide, safe, quality, affordable permanent housing and enhanced supports (as described in the Scope of Services and the Mental Health Adult Supportive Residential licensure category) to serve individuals experiencing serious mental illness or co-occurring mental illness and substance use disorders who are discharging from MBMHI and would otherwise require longer stays at MBMHI, and has one or more of the following: (1) may also have non-emergent medical needs, (2) may have a history of demonstrated behaviors that require enhanced supportive services in a residential setting, (3) may have a criminal record, (4) may have had criminal charges dropped after civil commitment to inpatient psychiatric treatment, (5) may have a history of judicial commitment to inpatient psychiatric treatment, and/or (6) may have a Mandatory Outpatient Treatment (MOT) plan.
- Submitted proposals shall ensure quality continuity of care and efficient coordination of care for ILS program residents.
- Submitted proposals shall ensure that facility/facilities will be ready, including TDMHSAS Mental Health Adult Supportive Residential licensure, and available for residential occupancy and service provision by no later than July 1, 2022, or other reasonable timeframe as agreed upon by the State.
- Submitted proposals shall provide facilities and services that are capable of serving our highest acuity-level patients exiting Moccasin Bend Mental Health Institute (MBMHI). Proposers are encouraged to consider facilities and services that are capable of serving individual(s) on the sex offender registry. A submitted proposal that does not detail the specific plan to serve individuals experiencing a hearing-impairment, vision-impairment, or non-ambulatory disability will not be considered for funding.

- Proposers shall affirm that all available beds, including vacancies incurred at any time in the identified ILS facility(ies), will be filled by individuals discharging from MBMHI who meet the level of need for the ILS program.
- Proposals shall include a detailed timeline for project completion, ensuring the proposed project infrastructure is completed by June 30, 2022.
- Agencies currently operating ILS programs are eligible to apply.

The MHBG program funds target: Adults with serious mental illnesses. This includes persons age 18 and older who have a diagnosable behavioral, mental, or emotional condition—as defined by the Psychiatric Association’s Diagnostic and Statistical Manual (DSM) of Mental Disorders. Their condition substantially interferes with, or limits, one or more major life activities, such as: Basic daily living (for example, eating or dressing); Instrumental living (for example, taking prescribed medications or getting around the community); Participating in a family, school, or workplace.

Questions specific to eligibility for this Announcement may be asked in writing at any time. Please email [MHSAS.Housing.Homeless@tn.gov](mailto:MHSAS.Housing.Homeless@tn.gov) for all eligibility-related questions.

**2.3.2** A proposer, for purposes of this Announcement, must not be:

- An entity which employs an individual who is, or within the past six (6) months has been, an employee or official of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purposes of furthering the private interest or personal profit of any person; and
- For purposes of applying the requirements above, the State will deem an individual to be an employee or official of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid.

#### **1.4. Scope of Services**

See Attachment F for a draft of the Proposed Scope of Services, which is Section A. of a State of Tennessee Grant Contract. Please note that the State of Tennessee reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract. The State of Tennessee also reserves the right not to issue any Grant Contracts in response to this Announcement.

#### **1.5. Prohibitions on Use of Federal Mental Health Block Grant (MHBG) Funds**

Pursuant to federal laws and regulations, the Grantee shall not use any federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) funds made available under this Grant Contract for any of the following purposes:

- a) to provide inpatient services;
- b) to make cash payments to intended recipients of health services;
- c) to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility, or to purchase major medical equipment;
- d) to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
- e) to provide financial assistance to any entity other than a public or non-profit private entity.

#### **1.6. Prohibition on Supplantation of Federal Mental Health Block Grant (MHBG) Funds**

Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) to supplant any other funds available for the services provided under this Grant Contract.

#### **1.7. Communications**

**1.7.1** The following Coordinator shall be the main point of contact for this Announcement of Funding:

Christy Spangler

Email Address: [MHSAS.Housing.Homeless@tn.gov](mailto:MHSAS.Housing.Homeless@tn.gov)

All proposer communications concerning this procurement must be directed to the Coordinator listed immediately above. Unauthorized contact regarding this Announcement of Funding with other state employees of TDMHSAS may result in disqualification.

**1.7.2 Proposer E-Mail List:** The State will create an e-mail list to be used for sending communications related to this Announcement. **If you wish to be added to this list, please promptly send your contact information, including e-mail address,** to [MHSAS.Housing.Homeless@tn.gov](mailto:MHSAS.Housing.Homeless@tn.gov). Any delay in sending such information may result in some communications not being received. The State assumes no responsibility for delays in being placed on the list.

**1.7.3 Questions and Requests for Clarification:** Questions and requests for clarification regarding this announcement must be submitted in writing on or before 10/28/2021 to [MHSAS.Housing.Homeless@tn.gov](mailto:MHSAS.Housing.Homeless@tn.gov). Questions submitted after this deadline will not be answered. A conference call will be held on 11/4/2021 to respond to submitted questions.

**1.7.4 State's Response to Questions and Requests for Clarification:** Questions and requests for clarification regarding this Announcement should be submitted in writing on or before 10/28/2021 to [MHSAS.Housing.Homeless@tn.gov](mailto:MHSAS.Housing.Homeless@tn.gov). A conference call will be held on 11/4/2021 to respond to questions submitted by 10/28/2021. During the call, proposers can request clarification or additional feedback. The State will offer responses to additional requests on the call as appropriate and will add this to the official, written responses.

## **1.8. Proposal Preparation, Formatting, Submission, Withdrawal, and Rejection**

**1.8.1 Proposal Preparation:** The Proposer accepts full responsibility for all costs incurred in the preparation, submission, and other activities undertaken by the Proposer associated with the proposal.

**1.8.2 Proposal Formatting Requirements:** The State's goal to review all proposals submitted must be balanced against the obligation to ensure equitable treatment of all proposals. For this reason, formatting and content requirements have been established for proposals.

- Proposals must be received via e-mail by deadline of 11/22/2021.
- Proposals must address all applicable project narrative questions and label the sections accordingly within the proposal.

- Proposals must be typed, single-spaced on standard 8 ½ inch x. 11 inch paper, in font size twelve (12), with 1 inch margins. The spacing and margin requirements do not apply when preparing the attachment worksheets.
- All proposal pages and attachments must include a header with Proposer name and page number.
- The length of the proposal is limited to ten (10) pages. This limitation does not include the required proposal attachments.

**1.8.3 Proposal Submission:** Proposals should be submitted to the State via email to [MHSAS.Housing.Homeless@tn.gov](mailto:MHSAS.Housing.Homeless@tn.gov) by November 22, 2021. The proposal's file name must include both the grant name and the agency's name using the following format: "FY22 ILS Proposal\_Agency Name". When submitting the proposal via email, the subject line must use the same naming format: "FY22 ILS Proposal\_Agency Name". Proposals must be complete and comply with all requirements of this Announcement in order to be eligible for review.

**1.8.4 Proposal Withdrawal:** Proposals submitted prior to the due date may be withdrawn, modified, and resubmitted by the Proposer so long as any resubmission is made in accordance with all requirements and all deadlines of this Announcement.

**1.8.5 State's Right to Reject Proposals:** The State reserves the right to reject, in whole or in part, any and all proposals; to advertise new proposals; to arrange to perform the services herein, to abandon the need for such services, and to cancel this Announcement if it is in the best interest of the State as determined in the State's sole discretion. In the event such action is taken, notice of such action will be posted on the State's website at <https://www.tn.gov/behavioral-health/departments/funding-opportunities.html> and notice of the posting will be distributed via the proposer e-mail list.

## **1.9. Proposal Review, Components, Scoring, and Selection**

**1.9.1 Proposal Review:** Proposals will be scored based on the ability to demonstrate the intended success of the project. Incomplete and noncompliant proposals will not be reviewed. The State recognizes the need to ensure that funding provided for the ILS Grant provides the maximum benefit to the citizens of Tennessee. Grantees are selected in accordance with state policy, department

duties, department powers, and commissioner duties and powers as related to service as the state's mental health and substance abuse authority responsible for planning for and promoting the availability of a comprehensive array of high quality prevention, early intervention, treatment, and habilitation services and supports that meets the needs of service recipients in a community-based, family-oriented system.

**1.9.2 Proposal Components:** Each proposal should contain the following sections (please note, incomplete proposals will not be reviewed):

- Cover Letter
- Coversheet (Attachment A, signed by authorized representative)
- Table of Contents
- Project Narrative
- Organizational Chart(s) (Attachment B)
- Proposed Budget and Budget Justification (Attachment C)
- Existing Agreements and Third Party Revenue Source (Attachment D)
- Letters of Support (Attachment E)

**1.9.3 Proposal Scoring:** Each proposal is allocated a maximum point value that determines a range within which reviewers will assign specific points. The number of points allocated to each component below is the maximum number of points the reviewer may assign. Reviewed proposals may receive a total score between zero (0) and one hundred (100).

Proposal Component	Score
Cover Letter	0 points, but essential
Cover Sheet (Attachment A)	0 points, but essential
Table of Contents	0 points, but essential
Project Narrative <ul style="list-style-type: none"> <li>• Relevant Experience (10 points)</li> <li>• Program Design (30 points)</li> <li>• Community/Key Partners (5 points)</li> <li>• Proposed Staffing (10 points)</li> <li>• Project Sustainability (5 points)</li> <li>• Programmatic Data Collection/Monitoring (5 points)</li> <li>• Trauma-Informed Care (5 points)</li> <li>• Safety and Security (5 points)</li> </ul>	75 points

Organizational Chart(s) (Attachment B) <i>Organizational chart for the entity submitting the proposal, demonstrating where the ILS fits within the overall structural organization of the entity submitting the proposal.</i>	0 points, but essential
Proposed Budget and Budget Narrative (Attachment C) <i>Appropriate and realistic budgets (both for infrastructure and annual operations) must be submitted along with a narrative justifying the budget.</i>	20 points
Existing Agreements and Third Party Revenue Source (Attachment D) <i>Provide documentation of any existing agreements with community stakeholders that provide additional resources to the ILS. List any current third party revenue sources that contribute to the long term sustainability of the Proposing entity.</i>	0 points, but essential
Letters of Support (Attachment E)	5 points

**1.9.4 Proposal Selection:** The State will notify all Proposers selected for contracting by close of business December 6, 2021.

All grant proposals are reviewed and evaluated by a group of state employees selected by TDMHSAS. Based upon the evaluations, proposal selections will be made and submitted for final approval to the Commissioner of the Department of Mental Health and Substance Abuse Services and/or Commissioner's designee.

The State reserves the right to further negotiate proposals selected to be awarded funds. Prior to the execution of any Grant Contract, the State reserves the right to consider past performance under other Tennessee contracts.

## **1.10. State's Rights and Obligations under this Announcement**



**1.10.1** The State reserves the right to make any changes to this Announcement of Funding, timeline of events, proposals selected, the scope of services, the amount of funding, and any other aspect of this process as deemed necessary before issuing the final Grant Contract. In the event the State decides to amend, add to, or delete any part of this Announcement, a written amendment will be posted on the State's website at <https://www.tn.gov/behavioral-health/departments-funding-opportunities.html> and notice of this posting will be distributed via the proposer email list.

**1.10.2** The State reserves the right to cancel, or to cancel and re-issue, this Announcement. In the event such action is taken, notice of such action will be posted on the State's website at <https://www.tn.gov/behavioral-health/departments-funding-opportunities.html> and notice of the posting will be distributed via the proposer email list.

**1.10.3** The State reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract.

**1.10.4** The State reserves the right to not issue any Grant Contracts in response to this Announcement.

**1.10.5** The State reserves the right to further negotiate proposals selected to be awarded funds prior to entering into a Grant Contract.

**1.10.6** State obligations pursuant to a Grant Contract shall commence only after the Grant Contract is signed by the Grantee and the State and after the Grant Contract is approved by all other Tennessee officials in accordance with applicable laws and regulations. The State shall have no obligation for services rendered by the Grantee which are not period within the specified Grant Contract term.

**1.10.7** Grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.

## **2. PROPOSAL NARRATIVE**

Proposal narrative responses should address each of the following items, as applicable. The narrative should be structured and titled consistently according to these narrative sections. There is a maximum of ten (10) pages for the proposal narrative section.

**2.1 Relevant Experience (*Up to 10 points for this section*):** Briefly describe your organization's experience, capacity and commitment to provide quality, community-based residential recovery services that safely and successfully meet the needs of people experiencing serious mental illness or co-occurring mental illness and substance use disorders who are discharging from MBMHI and would otherwise require longer stays at MBMHI, and (1) may also have non-emergent medical needs, (2) may have a history of demonstrated behaviors that require enhanced supportive services in a residential setting, (3) may have a criminal record, (4) may have had criminal charges dropped after civil commitment to inpatient psychiatric treatment, (5) may have a history of judicial commitment to inpatient psychiatric treatment, and/or (6) may have a Mandatory Outpatient Treatment (MOT) plan.

**2.2. Program Design (*Up to 30 points for this section*):**

- a. Describe the facility or facilities proposed to provide ILS residence and services including:
  1. The location and address(es) of the facility or facilities, and the total number of beds, for which ILS residence and services will be provided;
  2. Whether the applicant currently has ownership, contract to purchase, or confirmed plan to purchase, the property or properties at which ILS residence and services will be provided;
  3. The acquisition plan and timeline to achieve ownership of the property or properties if not currently owned;
  4. The size and configuration of the facility or facilities including number of bedrooms, baths, common rooms. Please include a floor plan and/or pictures if available (these attachments are not included in the 10-page narrative limit); and
  5. Confirmation of plan to obtain Mental Health Adult Supportive Residential licensure from the TDMHSAS for each facility.
- b. Describe the plan and timeline to have the facility or facilities ready for new residents discharging from MBMHI to move in including:
  1. The proposed source(s) and timeline to acquire any additional funding required for acquisition and renovation beyond that provided through the start-up funding described in this Announcement of Funding;

2. If zoning issues or challenges are to be expected;
  3. The projected or estimated closing date to acquire the facility or facilities;
  4. A description of any renovations needed for the facility or facilities, and the projected date for completion of renovations;
  5. The general contractor and architect for renovations (if renovations are needed); and
  6. The target date that the facility or facilities will be ready for occupancy.
- c. Considering the purpose and intent of this program described in Section 1., describe the proposed plan to coordinate with MBMHI to process referrals and strategize successful transition from MBMHI discharge to ILS program admission for each prospective ILS resident. Assuming all referrals initiated by MBMHI have been clinically cleared for discharge from MBMHI describe any exclusionary criteria or circumstances that may be considered a barrier to admission to the ILS residence and program.
- d. Describe the proposed range and frequency of educational activities, life skills development opportunities, peer support services, recreational activities, outings, on-site treatment / medication checks, etc. How will the residents access mental health, substance abuse, and co-occurring treatment?
- e. Give examples of the types of physical concerns (ADA accessibility, vision-impaired, hearing-impaired, etc.) and diseases that the on-site nursing staff members are prepared to handle versus those that would need to be treated elsewhere. Please describe how primary health issues needing off-site treatment will be handled including any transfer arrangements with local hospital(s) and primary care providers.
- f. Describe the staffing pattern planned for each shift—day, evening, nights, and weekends. Describe the emergency back-up plan for psychiatric and/or physical health emergencies.
- g. Explain the agency's commitment to the provision of peer support services, history providing such services, and partnerships in the community with other peer support opportunities.

- h. Describe how the agency will assess residents' progress in recovery and, when feasible, their readiness to move to a less intensive, less restrictive supportive housing, or alternative community living environment.
- i. Describe your agency's policy on use of seclusion, restraint, and "as needed" (PRN) medication for behavior management in this program.

- 2.3 Community/Key Partners (Up to 5 points for this section):** Describe key partners and community organizations/members and the respective roles they will play in supporting residents' success in community living and/or enhancing the Intensive Long-term Support (ILS) program and its services. Additionally, identify any third-party resources, existing or otherwise, that would positively impact the quality of the delivery of ILS services. Include any relevant letters of support as Attachment E (*letters of support do not count toward the ten (10) page limit of the Proposal Narrative or the eighteen (18) page limit of the overall proposal*).
- 2.4 Proposed Staffing (Up to 10 points for this section):** Detail the range and mix of professionals required to implement and sustain the Intensive Long-term Support (ILS) program and services. Proposed staffing should be displayed on an organizational chart (Attachment B) indicating the relationships among staff and interdependences within the proposing entity's agency, and among identified core partners. Provide sketch descriptions of the key positions including duties and responsibilities, required skills and knowledge, and supervisory relationships. Minimum expectations for staffing include the following: on-site psychiatric services by a physician or nurse practitioner for service recipients served in each of these ILS facilities; case management services, with case managers specifically dedicated to this program; direct access to Certified Peer Recovery Specialist(s); access to supported employment/ Individual Placement and Support (IPS) programming specialist(s); and access to SSI/SSDI Outreach, Access and Recovery (SOAR) specialist(s).
- 2.5 Project Sustainability (Up to 5 points for this section):** Please describe the applicant's sustainability plan in detail. Information should be provided relative to provider reimbursement mechanisms, supplemental grants, and other municipal, county, state, or federal funding. Provide information describing how managed care organizations have been engaged in the project design.
- 2.6 Programmatic Data Collection/Monitoring (Up to 5 points for this section):** The Intensive Long-term Support (ILS) program grantee will be required to collect and report data for the purposes of program outcomes and accountability. This will include maintaining records to document Intensive Long-term Support (ILS)

activities and submitting monthly, intake and discharge reports to the State. What processes will be put into place to internally monitor program success?

- 2.7 Trauma-Informed Care (*Up to 5 points for this section*):** How will the applicant ensure its Intensive Long-term Support (ILS) program is trauma-informed? Please list specific strategies to reduce re-traumatization and to support healing and resiliency among the population served.
- 2.8 Safety and Security (*Up to 5 points for this section*):** Describe the proposing entity's existing safety procedures and security measures utilized to ensure the safety of staff, residents and the community. Additionally, describe in detail what safety and security procedures and guidelines will be put into place at the ILS facility or facilities to minimize risk to residents and staff.

## **Attachment A**

### **COVER SHEET Intensive Long-term Support (ILS)**

Page 1 of 1

Legal Name of Proposer	
Federal ID#	
Edison Vendor ID#	
Targeted Coverage Area(s) being proposed (TDMHSAS Region <u>and</u> TN county)	
<b>CONTACT INFORMATION</b>	
Name of Contact Person	
Title of Contact Person	
Address of Contact Person	
E-mail Address of Contact Person	
Phone Number of Contact Person	
<b>AUTHORIZED REPRESENTATIVE INFORMATION</b>	
Name of Authorized Representative <i>(For Non-Profit, if someone other than the Board Chairperson is named as the Authorized Representative, a signed copy of the resolution of appointment must be submitted.)</i>	
Title of Authorized Representative	
Address of Authorized Representative	
E-mail Address of Authorized Representative	
Phone Number of Authorized Representative	

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**Signature of Authorized Representative**

**Date**

## **Attachment B**

### **ORGANIZATIONAL CHART**

Provide an organizational chart for the entity submitting a proposal, demonstrating where the Intensive Long-term Support (ILS) grant will fit into the overall structural organization of the entity submitting the proposal.

## **Attachment C**

### **PROPOSED BUDGET AND BUDGET JUSTIFICATION**

Page 1 of 2

#### **PROPOSED BUDGET**

Please download the Excel budget template using the following link to complete a proposed budget:  
[https://www.tn.gov/content/dam/tn/mentalhealth/documents/Cost\\_reimbursement\\_budget\\_fy22.xls](https://www.tn.gov/content/dam/tn/mentalhealth/documents/Cost_reimbursement_budget_fy22.xls)

The budget template has four tabs: Instructions, Summary, Detail, and Salaries. Summary, Detail and Salaries tabs must be included. Please review the Instructions tab before completing the proposed budget. This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.

<b>GRANT BUDGET SUMMARY</b>				
<b>Agency Name: Enter on Detail Tab</b>				
<b>Program Code Name: Enter on Detail Tab</b>				
<b>The grant budget line-item amounts below shall be applicable only to expense incurred during the following</b>				
<b>Applicable Period:</b>		<b>BEGIN: Enter on Detail Tab</b>	<b>END: Enter on Detail Tab</b>	
<b>POLICY 03 Object Line-item Reference</b>	<b>EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup></b>	<b>GRANT CONTRACT</b>	<b>GRANTEE PARTICIPATION</b>	<b>TOTAL PROJECT</b>
1, 2	Salaries, Benefits & Taxes <sup>2</sup>	\$0.00	\$0.00	\$0.00
4, 15	Professional Fee, Grant & Award <sup>2</sup>	\$0.00	\$0.00	\$0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications <sup>2</sup>	\$0.00	\$0.00	\$0.00
11, 12	Travel, Conferences & Meetings <sup>2</sup>	\$0.00	\$0.00	\$0.00
13	Interest <sup>2</sup>	\$0.00	\$0.00	\$0.00
14	Insurance <sup>2</sup>	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals <sup>2</sup>	\$0.00	\$0.00	\$0.00
17	Depreciation <sup>2</sup>	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel <sup>2</sup>	\$0.00	\$0.00	\$0.00
20	Capital Purchase <sup>2</sup>	\$0.00	\$0.00	\$0.00
22	Indirect Cost <sup>2</sup>	\$0.00	\$0.00	\$0.00
24	In-Kind Expense <sup>2</sup>	\$0.00	\$0.00	\$0.00
25	<b>GRAND TOTAL</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies*, Appendix A. (posted on the Internet at: <http://www.tn.gov/assets/entities/finance/attachments/policy3.pdf>)

<sup>2</sup> Applicable detail follows this page if line-item is funded.



## **Attachment C**

### PROPOSED BUDGET AND BUDGET JUSTIFICATION

Page 2 of 2

#### BUDGET JUSTIFICATION

##### **Intensive Long-term Support (ILS)**

Please include a written budget justification of funds needed to support the Intensive Long-term Support (ILS) grant proposal.

The first budget should reflect the funding needed to establish the ILS facility/residence infrastructure to support up to 20 - 25 new ILS beds to affect discharges from MBMHI. This budget should include all funds requested to support acquisition, rehabilitation, and/or new construction of facilities. For the purposes of this Announcement, infrastructural costs refers to funding needed for development, new construction, acquisition, rehabilitation, renovation, and/or conversion to create new housing options for the targeted population as identified in this Announcement. Please note that funding amounts may vary based on proposal selection and submissions.

A second operational budget should be provided based on a full year of program services implementation. The maximum funds available for annual operations to support ILS services is estimated \$1,000,000. Minimum expectations for staffing are described in Section 2.4 and include: on-site psychiatric services by a physician or nurse practitioner for service recipients served in each of these ILS facilities; case management services, with case managers specifically dedicated to this program; direct access to Certified Peer Recovery Specialist(s); access to supported employment/ Individual Placement and Support (IPS) programming specialist(s); and access to SSI/SSDI Outreach, Access and Recovery (SOAR) specialist(s).

The justification summary should provide detail to support the Grant Contract funds included in each line-item.

Each budget justification should be no longer than one page, single spaced. This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.

## **Attachment D**

### **EXISTING AGREEMENTS AND THIRD-PARTY REVENUE SOURCE(S)**

Provide documentation of any existing agreements with community stakeholders that provide additional resources to support the Intensive Long-term Support (ILS) grant.

List any current third-party revenue sources that contribute to the long-term sustainability of the Proposing entity.

This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.

## **Attachment E**

### **LETTERS OF SUPPORT**

Include any relevant letters of support from regional community stakeholders, including the Regional Mental Health Institutes, housing development entities, affordable housing providers, funding source entities and mental health and/or co-occurring service providers. This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.

## **Attachment F**

### **PROPOSED SCOPE OF SERVICES For Information Purposes Only and May be Revised Prior to Contract Award/Execution**

#### **Intensive Long-Term Support (ILS)**

##### **A. SCOPE OF SERVICES AND DELIVERABLES:**

- A.1. The Grantee shall provide the Scope of Services and Deliverables (“Scope”) as required, described, and detailed in this Grant Contract.
- A. 2. Services and supports under this Contract shall be delivered in a manner that promotes resiliency, recovery, and independence for individuals and families served. The Division of Mental Health Services prioritizes key values critical to serving Tennesseans with behavioral health needs including programs and practices focused on promotion, intervention, and recovery support services which:
- Encourage co-occurring competent and co-occurring friendly programs;
  - Support culturally responsive and linguistically competent services;
  - Uphold System of Care core values and principles;
  - Aim to prevent and mitigate the impact of adverse childhood experiences (ACEs);
  - Promote trauma informed approaches; and
  - Prioritize evidence-based and/or evidence-informed services resulting in strong outcomes.
- A.3. Service Definitions:
- a. The Intensive Long-term Support (ILS) program is designed to promote an increase in the number of service recipients discharged from the State’s Regional Mental Health Institutes (RMHIs) and other State-designated facilities. The Grantee shall adhere to the priority scheme noted in Section A.4. for service recipients being discharged into ILS facilities identified in Section A.6.a. The ILS program provides funding to maintain the service recipients in the community in ILS facilities. Services offered through the ILS include psychiatric services; nursing services; case management services; wrap-around and recovery services; peer recovery services; transportation services; personal care services such as vision and dental; and treatment services which complement existing services provided by the State which have not sufficiently met the specialized needs of the service recipients of the ILS program.
- b. “Co-occurring disorders,” for purposes of this Grant Contract, means combined conditions of mental illness and substance use disorder.

- c. "Mental illness," for purposes of this Grant Contract, means a psychiatric disorder as diagnosed according to the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) or more current edition.
- d. "Substance use disorder," for purposes of this Grant Contract, means a substance-related disorder as diagnosed according to the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) or more current edition.

A. 4. Service Recipients:

- a. Any Tennessee adult eighteen (18) years of age or over who has received inpatient psychiatric treatment for a mental illness or co-occurring disorder **and** who has been discharged from one of the State RMHIs, Crisis Stabilization Units (CSU), or State-Contracted Psychiatric Hospitals (SCPH). Priority will be given first to service recipients who usually reside in Mental Health Planning and Policy Regions One (I), Two (II) and Three (III), and are being discharged from one of the State RMHIs; then to service recipients who usually reside in Mental Health Planning and Policy Regions One (I), Two (II) and Three (III) and are being discharged from a CSU who would otherwise be transferred to one of the State RMHIs, then equally to service recipients being discharged from one of the State RMHIs, CSUs, or SCPHs.
- b. Exceptions to these requirements are **not** permitted without State approval. Requests for exceptions to these requirements for eligibility shall be sent, in writing (e-mail is acceptable), to the State's Office of Housing and Homeless Services for approval.

A.5. Service Goals:

- a. To enable service recipients experiencing serious mental illness to be discharged from the State RMHIs, CSUs, and SCPHs, in accordance with the priority scheme described in Section A.4.
- b. To support service recipients experiencing serious mental illness, who are placed in community supportive housing in order to prevent admission or readmission to inpatient psychiatric hospitals.

A.6. Structure:

- a. The Grantee shall provide Intensive Long-term Support (ILS) services as needed, twenty-four hours per day/seven days per week/three hundred sixty-five days per year (24/7/365) for service recipients. The ILS facilities identified for funding through this Grant Contract and the number of placements per facility:

Street Address	City	ZIP Code	Number of Beds

- b. The Grantee shall provide a *Number (#)* intensive long-term support housing opportunities for eligible service recipients.
- c. The Grantee shall ensure that ILS programming complements existing services funded by the State, including but not limited to case management services, outpatient psychiatric services, mobile crisis services, Peer Support Centers, medication and medication management services, SOAR services, supported employment/Individual Placement and Support services (IPS), and other programs assisting persons diagnosed with mental illness, which have not been able to sufficiently meet the specialized needs of the service recipients of this program.
- d. The Grantee shall ensure that ILS services are designed to meet the individual needs of the service recipients (including wheelchair accessibility and facilities that meet the specific needs of the hearing- and vision-impaired), enabling each service recipient to reside in a stable community placement with minimal readmission to inpatient psychiatric hospitals.
- e. The Grantee shall ensure the assignment of a sufficient number of mental health personnel, either case managers or other mental health personnel, to this program to assure there is at least one (1) staff member awake and on duty for every five (5) residents in each facility twenty-four hours per day/seven days per week/three hundred sixty-five days per year (24/7/365) providing services when appropriate and as described in this Scope of Services.

A.7. Process:

- a. The Grantee shall establish and maintain licensed ILS facilities. The facility and services supported by this Grant Contract must meet and comply with applicable codes, zoning, and State licensure requirements.
- b. The Grantee shall provide on-site psychiatric services by a physician or nurse practitioner for service recipients served in this ILS facility. Services are to be provided at least every two (2) weeks and more frequently if needed.
- c. The Grantee shall provide case management services, with case manager(s) specifically dedicated to this program.
- d. The Grantee shall provide a schedule of treatment, skills training, or leisure activities, with such activities occurring both at the ILS facility and in the community. The schedule for the ILS facility shall provide for daily activities.
- e. The Grantee shall conduct service coordination meetings of ILS facility staff, case management staff, and mental health treatment staff or supervisory staff as needed. Service coordination meetings shall occur at least every two (2) weeks at the ILS facility with more frequent meetings, if needed.

- f. The Grantee shall request that each service recipient complete one (1) State-approved satisfaction survey, or survey prescribed by the State, by the end of each Grant Contract year and when the resident leaves the program. Copies of these completed satisfaction surveys shall be maintained for at least two (2) years and shall be made available upon request of the State. It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Grant Contract as specifically indicated herein.
- g. The Grantee shall ensure program staff members are appropriately trained in the following areas with updates a minimum of one (1) time per state fiscal year except CPR which must remain current and completed once every two (2) years. Each new employee in his or her first three (3) months of employment must complete all required training. Upon request of the State, the Grantee shall provide documentation showing the time; location; and person delivering the training for each of the program staff members:
- (1) Philosophy of supported housing;
  - (2) Teaching interpersonal and living skills (such as Motivational Interviewing, budgeting skills, and other such skills);
  - (3) Cardiopulmonary Resuscitation (CPR);
  - (4) Managing aggressive behavior;
  - (5) Working with service recipients to achieve their housing goal;
  - (6) Consumer rights in group homes;
  - (7) Sensitivity to cultural diversity; and
  - (8) Client-centered services and treatment.
  - (9) Trauma-informed care (as defined by the TDMHSAS).
- h. The Grantee shall maintain records to document Intensive Long-term Support (ILS) activities and submit quarterly, intake, and discharge reports according to the accepted State format. Quarterly reports should be submitted to the State by the fifteenth (15<sup>th</sup>) of the month following the end of each quarter being reported, namely October 15<sup>th</sup>, January 15<sup>th</sup>, April 15<sup>th</sup>, and July 15<sup>th</sup>. Intake reports shall be completed upon service recipient admittance into the ILS program. Discharge reports shall be completed upon service recipient discharge from the ILS program. Failure to submit these reports within the specified time frame could result in delay in reimbursement until the Grantee complies with this requirement. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Grant Contract as specifically indicated herein.

- i. The Grantee shall provide nursing services as needed to address either medication compliance issues or health care needs.
- j. The Grantee shall provide emergency services as necessary to prevent readmission to inpatient psychiatric hospitalization, including proactive intervention when possible. If a service recipient requires readmission to an inpatient psychiatric hospital, efforts shall be made to facilitate the service recipient's return to the community as soon as clinically feasible.
- k. The Grantee shall provide other treatment and/or support services, as needed, to enable the discharge of service recipients from State RMHIs, CSUs, and SCPHs, in accordance with the priority scheme described in Section A.4. The Grantee shall also provide other treatment and/or support services as needed to maintain service recipients in the community who have received inpatient psychiatric treatment at a State RMHI, CSU, or SCPH, in accordance with the priority scheme described in Section A.4.
- l. The Grantee shall transition service recipients to a less restrictive environment when appropriate to meet the service recipient's needs.
- m. The Grantee shall utilize ILS funds to provide services in the community that cannot be fully funded by Tennessee's Medicaid program, TennCare; the Behavioral Health Safety Net; Medicare; or other third-party payers.
- n. The Grantee shall comply with the State's evaluation process including reports prescribed by the State and assure access to all program and financial data to verify these reports and contract compliance.

A.8. Outcome – Access:

The State RMHIs, CSUs, SCPHs, and the Grantee shall refer service recipients experiencing serious mental illness to ILS facilities, in accordance with the priority scheme described in Section A.4.

A.9. Outcome – Capacity:

- a. This ILS facility shall serve *Number (#)* service recipients, as indicated by the number of beds shown in Section A.6.a. and confirmed by monthly reports submitted in compliance with Section A.7.h. Service recipient records shall be made available upon request of the State to verify these reports.
- b. The Grantee shall ensure vacancies in the identified ILS facilities will be filled within thirty (30) days, and each subsequent thirty (30)-day term that the vacancy remains unfilled, unless prior approval is granted by the State for an extension in the thirty (30) day term. This data shall be indicated in the monthly reports submitted in compliance with Section A.7.h. Service recipient records shall be made available upon request of the State to verify these reports.



- c. ILS services shall be provided to all residents at this ILS facility as indicated by monthly reports submitted in compliance with Section A.7.h. Service recipient records shall be made available upon request of the State to verify these reports.

A.10. Outcome – Effectiveness:

- a. Service recipients shall experience increased community tenure after moving into this ILS facility. The Grantee shall make appropriate service recipient records available upon request of the State to verify this measure.
- b. Service recipients shall experience reduced number of psychiatric hospitalization days since entering this facility over a period of time compared to a similar period of time prior to entering this facility.

## **Attachment G**

### Sample of Grant Note and Restrictive Covenant Documents

1 of 2

#### SAMPLE GRANT NOTE

Prepared by Tennessee Department of Mental Health and Substance Abuse Services

#### **GRANT NOTE**

**AMOUNT:** \_\_\_\_\_ (\$\_\_\_\_\_)

On demand after date, for value received and hereby acknowledged, \_\_\_\_\_ ("Grant Recipient"), promises to pay to the order of Tennessee Department of Mental Health and Substance Abuse Services ("TDMHSAS") the principal sum of \_\_\_dollars (\$\_\_\_), in legal tender, with interest thereon from this date at zero percent (0%) per annum. Principal shall be payable at the offices of TDMHSAS or such other place as TDMHSAS may designate.

- A. So long as there is no default with respect to the conditions set forth herein, or as set forth in the Restrictive Covenant executed by \_\_\_\_ (AGENCY NAME) related to the properties at \_\_\_\_\_ (location(s)) (herein after referred to as "the properties"), the principal sum due and payable under this Grant Note shall be forgiven at the end of the Affordability Period (as defined herein).
- B. TDMHSAS agrees not to make demand for payment under this Grant Note so long as the following conditions are met:
  - 1. The Affordability Period for this grant is \_\_\_ years from the date that the state funds are disbursed to the Grant Recipient.
  - 2. All funds advanced hereunder are used for the purpose of defraying acquisition, closing, and rehabilitation costs on the Properties
  - 3. The Property units are maintained for Tennessee adults (18 and over) behavioral health consumer(s) or family households that include at least one adult who has a Diagnostic and Statistical Manual, Version V (DSM-V) (or current revision) mental illness diagnosis, a substance use disorder, or mental illness and co-occurring substance use disorder diagnosis, and are at or below very low income limits according to definition of U.S. Department of Housing and Urban Development

(HUD) at the time of moving into the unit. The Grant Recipient agrees to maintain documentation that tenant households meet these criteria for the Affordability Period, including attestation by a licensed behavioral health professional regarding diagnosis and documentation of income verification compared to HUD local very low income standard at time of move-in.

4. Neither the Properties, nor any part thereof or interest therein, is sold, leased or otherwise transferred, conveyed or encumbered and no interest in the Grant Recipient is sold or otherwise transferred, conveyed or encumbered during the Affordability Period.
5. The Grant Recipient agrees to all terms and conditions set forth in this Grant Note, the Restrictive Covenants, and the Deed of Trust.

In the event of default hereunder, TDMHSAS shall, at any time thereafter, be entitled, but not required, to immediately demand payment of all amounts due under this Grant Note as of the date of default. Amounts not paid upon demand shall bear interest at the maximum lawful rate from the date of demand until the date payment is received. Should efforts be made to collect this Grant Note, or any part of the indebtedness evidenced hereby, by law or through an attorney, Grant Recipient shall pay all reasonable attorneys' fees, all court costs and all costs of collection upon demand. Any failure on the part of TDMHSAS to exercise its rights hereunder shall not, in any event, be considered a waiver of any such rights nor shall such failure preclude TDMHSAS from exercising such rights at any time. Grant Recipient hereby waives all rights of protest, notice of demand, protest and demand, notice of protest, presentment, demand, dishonor and non-payment.

GRANTEE:

BY: \_\_\_\_\_ (signature)

\_\_\_\_\_ (printed name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

NOTARY PUBLIC

The individual appeared before me \_\_\_\_\_, a Notary

Public for \_\_\_\_\_ County, State of Tennessee, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, and affixed his/her signature.

My commission expires on \_\_\_\_\_.

## **Attachment G**

### **Sample of Grant Note and Restrictive Covenant Documents**

2 of 2

#### **SAMPLE RESTRICTIVE COVENANT**

Prepared by Tennessee Department of Mental Health and Substance Abuse Services

#### **RESTRICTIVE COVENANT**

**This Restrictive Covenant is made and entered into by and between the Tennessee Department of Mental Health and Substance Abuse Services (hereinafter referred to as "State") and \_\_\_\_\_ (hereinafter referred to as "Grantee").**

1. Grantee, for and in consideration of \_\_\_\_\_ dollars (\$\_\_\_\_\_) (hereinafter referred to as the "State Grant monies") provided to Grantee for the purchase and/or renovation of real property located at \_\_\_\_\_ (hereinafter referred to as "the Property"), hereby grants the State of Tennessee an equitable interest in the property and covenants that the restrictions set forth below shall constitute a covenant running with the land benefitting and appurtenant to the real estate and any part thereof:  
  
\_\_\_\_\_(address) and  
  
recorded in Book \_\_\_\_\_, Page \_\_\_\_\_, Register's Office of  
  
\_\_\_\_\_ County, Tennessee
2. The State's interest in the Property and the covenant running with the land shall be binding upon Grantee, its successors and assigns, for \_\_\_\_ years from the date of the closing or when State Grant monies are disbursed to the Grantee (Affordability Period).
3. Grantee covenants that the Property is maintained with (# of beds) beds as the primary residence for a Tennessee adult (or a family household that includes such adult), eighteen (18) years of age and older, who is receiving treatment or recovery services for a mental illness diagnosed using the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-V), or current revision, or is in recovery from a substance use disorder, or is diagnosed with co-occurring mental and substance use or dependency disorders, and has been certified at the time of closing as at or falling below the U.S. Department of Housing and Urban Development's (HUD's) "very low income" guideline for the area where the Property is located.

4. Grantee covenants that neither the State's interest in the Property nor any part thereof or interest therein, shall be sold, leased, or otherwise transferred, conveyed or encumbered during the Affordability Period without written consent of the Commissioner of the Tennessee Department of Mental Health and Substance Abuse Services.
5. If Grantee fails to properly perform its obligations under this Restrictive Covenant, or if Grantee violates the covenants herein, the State shall have the right to immediately enter upon the above-named Property and exercise all of its right, title and interest in the Property. Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Restrictive Covenant by Grantee.
6. Grantee agrees to be responsible for the accountability, maintenance, and management of the Property purchased or rehabilitated totally or in part with State Grant monies.
7. The validity, construction and interpretation of this Restrictive Covenant shall in all ways be governed and determined in accordance with the laws of the State of Tennessee.
8. Grantee shall file a copy of this Restrictive Covenant in the Office of the Register of Deeds in the county where the Property is located and assure a recorded copy is provided to the State.

**IN WITNESS WHEREOF, this Restrictive Covenant has been signed and executed by Grantee and the State on date below their respective signatures hereto:**

GRANTEE:

---

Signature

---

Date

---

Printed Name

NOTARY PUBLIC

This individual appeared before me \_\_\_\_\_, a Notary Public for \_\_\_\_\_ County, State of Tennessee, on the \_\_\_\_ day of \_\_\_\_\_, 2021, and affixed their signature.

My commission expires on \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

STATE OF TENNESSEE:

BY: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

NOTARY PUBLIC

This individual appeared before me \_\_\_\_\_, a Notary Public for  
\_\_\_\_\_ County, State of Tennessee, on the \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
and affixed their signature.

My commission expires on \_\_\_\_\_.

\_\_\_\_\_  
Notary Public